



Department of Justice

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JUSTICE DEPARTMENT SUIT CHALLENGES CONTRACT THAT RESTRAINS DEVELOPMENT OF IMPROVED TOMATO SEEDS

Contract Prohibits Development of Seeds for American Farmers That Would Have Allowed Them to Grow Better Fresh-Market Tomatoes

WASHINGTON, D.C. -- The Department of Justice today filed a civil antitrust suit against LSL Biotechnologies Inc., Seminis Vegetable Seeds Inc., and their joint venture, LSL PlantScience, to void an agreement that prohibits a competitor, Hazera Quality Seeds Inc., from competing to develop and sell seeds for the production of long-shelf-life tomatoes in the United States. The Department said the agreement has reduced competition in the development and sale of tomato seeds.

According to the Department, LSL and Hazera entered into a contract to develop seeds that produce long-shelf-life tomatoes, which enable farmers to grow vine-ripened tomatoes during the winter months and ship them to market before spoiling. The contract has expired except for a provision that prohibits Hazera from developing and selling that type of seed. The Department's lawsuit, filed today in U.S. District Court in Tucson, Arizona, challenges that provision.

"Competition to innovate spurs companies to offer consumers more choices and higher quality products at better prices," said Joel I. Klein, Assistant Attorney General in charge of the Department's Antitrust Division. "This agreement deprives American farmers and consumers of the full benefits of that competition."

Currently, LSL and Seminis together are the dominant sellers of seeds used to grow fresh-market tomatoes in North America during the winter. The Department's lawsuit alleges that Hazera,

one of the largest producers of seeds in Europe and the Middle East, is one of only a few companies with the interest and expertise to develop and market new long-shelf-life tomato seeds to North American farmers in competition with the defendants.

U.S. consumers spend nearly \$4 billion each year on fresh-market tomatoes. Most of the fresh tomatoes consumed in the U.S. during the winter are grown in the southern portions of the country and Mexico. The majority of store bought tomatoes are picked while green and then gassed until they redden. Long-shelf-life tomatoes, which currently are generally grown in Mexico, can ripen on the vine and be shipped to distant locales for sale and consumption before spoiling.

LSL Biotechnologies and LSL PlantScience are headquartered in Tucson, Arizona. Seminis is the largest developer, producer, and marketer of vegetable seeds in the world. It is headquartered in Saticoy, California and is a majority-owned subsidiary of Savia, a Mexico-based conglomerate.

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